

CHAPTER 1089

DISPOSITION OF UNCLAIMED PROPERTY — GIFT CERTIFICATES

H.F. 2296

AN ACT relating to disposition of unclaimed property provisions applicable to gift certificates, and providing applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 556.9, Code 2014, is amended to read as follows:

556.9 Miscellaneous personal property held for another person — wages — gift certificates.

1. a. All intangible personal property, not otherwise covered by this chapter, including any income or increment earned on the property and deducting any lawful charges, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than three years after it became payable or distributable is presumed abandoned. ~~However, unpaid~~

b. Unpaid wages, including wages represented by payroll checks or other compensation for personal services owing in the ordinary course of the holder's business that remain unclaimed by the owner for more than one year after becoming payable are presumed abandoned.

c. Except as provided in subsection 2, funds represented by a gift certificate balance that has not been presented within five years from the date of issuance of the gift certificate are presumed abandoned.

2. a. An issuer of a gift certificate shall not deduct from the face value of the gift certificate any charge imposed due to the failure of the owner of the gift certificate to present the gift certificate in a timely manner, unless a valid and enforceable written contract exists between the issuer and the owner of the gift certificate pursuant to which the issuer regularly imposes such charges and does not regularly reverse or otherwise cancel them.

b. Notwithstanding the time limitation in subsection 1, a gift certificate redeemable for merchandise only that is not subject to an expiration date and that is not subject to a deduction from the face value of the gift certificate for failure of the owner of the gift certificate to present the gift certificate in a timely manner, or subject to any other charge or service fee, which card remains unpresented, shall continue in force and be eligible for presentation for an indefinite period of time, and shall not be subject to a presumption of abandonment.

c. For purposes of this subsection section, "gift certificate" means a merchandise certificate or electronic gift card conspicuously designated as a gift certificate or electronic gift card, and generally purchased by a buyer for use by a person other than the buyer.

Sec. 2. **APPLICABILITY.** Section 556.9, subsection 2, paragraph b, as enacted in this Act, applies to gift certificates redeemable for merchandise only that are sold after July 1, 2014.

Approved April 10, 2014